IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:	)	**Jointly Administered at**
	)	**Case No. 02-20198-TPA**
NORTH AMERICAN REFRACTORIES, COMPANY, *ET AL.*,	)	**Chapter 11**
	)	
Debtors.	)	
	)	

NOTICE OF FILING ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE NORTH AMERICAN REFRACTORIES COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2014

PLEASE TAKE NOTICE that, on June 30, 2015, the Trustees of the North American Refractories Company Asbestos Personal Injury Settlement Trust (the "Trust") filed the Annual Report, Financial Statements and Results of Operations of the Trust for Fiscal Year Ended December 31, 2014 (the "Annual Report") and its audited financial statements for the same period (the "Audited Financial Statements"). The Annual Report and the Audited Financial Statements are attached hereto as Exhibits "A" and "A-1," respectively

Dated: June 30, 2015

BERNSTEIN-BURKLEY, P.C.

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ATTORNEYS FOR THE NORTH AMERICAN REFRACTORIES COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST

EXHIBIT A

EXHIBIT A-1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:	)	**Jointly Administered at**
	)	**Case No. 02-20198-TPA**
NORTH AMERICAN REFRACTORIES,	)	
COMPANY, *ET AL.*,	)	**Chapter 11**
	)	
Debtors.	)	
	)	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE NORTH AMERICAN REFRACTORIES COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2014

Richard B. Schiro, the Hon. Ken M. Kawaichi, Ret., and Mark M. Gleason (collectively, the "Trustees"), as Trustees of the North American Refractories Company Asbestos Personal Injury Settlement Trust (the "Trust"), submit the Annual Report, Financial Statements and Results of Operations for Fiscal Year Ended December 31, 2014 (the "Annual Report"), pursuant to the Third Amended Plan of Reorganization of North American Refractories, Company, e*t al.,* dated December 28, 2005 (the "Plan") and the First Amended North American Refractories Company Asbestos Personal Injury Settlement Trust Agreement (the "Trust Agreement").[1]

I. General

On January 4, 2002, North American Refractories Company ("NARCO") and its affiliated debtors (collectively, the "Debtors") filed their petitions for relief under Chapter 11 of the United States Bankruptcy Code. The Debtors' bankruptcy cases, now closed,[2] were jointly

[1] At a Trust meeting held on March 31, 2015, the Trustees, the, NARCO Trust Advisory Committee, the NARCO Asbestos Future Claimants Representative, and Honeywell International Inc. agreed that the time for the Trustees to file the Annual Report for the fiscal year ending December 31, 2014, shall be extended to June 30, 2015.

[2] While the Debtors' bankruptcy cases are closed, the clerk of the Bankruptcy Court is required to accept for filing on the docket of the Debtors' cases, without the requirement that any party in interest file a request to re-open the cases, the annual report required by the Trust Agreement. *See* Order Entering Final Decree Closing Certain Chapter 11 Cases entered in the Debtors' jointly administered bankruptcy cases on May 24, 2013 [Docket No. 7940].

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administered as Case No. 02-20198. At the time the Debtors filed their petitions for relief, NARCO and Honeywell International Inc. ("Honeywell") had been named as defendants in personal injury and wrongful death actions seeking recovery for damages caused by the presence of, or exposure to, asbestos or asbestos-containing NARCO Product Line products. By order entered on November 13, 2007, the United States Bankruptcy Court for the Western District of Pennsylvania (the "Bankruptcy Court") confirmed the Plan (the "Confirmation Order"), and on July 25, 2008, the United States District Court for the Western District of Pennsylvania entered an order affirming the Confirmation Order and the NARCO Channeling Injunction.

The Plan provides for the establishment of the Trust to pay all valid NARCO Asbestos Trust Claims pursuant to the North American Refractories Company Asbestos Personal Injury Settlement Trust Distribution Procedures (as may be amended from time to time, the "TDP") in settlement and satisfaction of the liabilities of the Debtors and Honeywell for all NARCO Asbestos Trust Claims.

On April 30, 2013, the Effective Date[3] of the Plan, the Trust was created in accordance with the Trust Agreement.[4] Pursuant to the Plan, the Trust was funded by an initial cash contribution by Honeywell, by stock in ANH Refractories Company, and by the obligation of Honeywell to make future payments. *See* Trust Agreement, Art. 2.3.

Under the Trust Agreement, the NARCO Trust Advisory Committee (the "TAC") represents all holders of present NARCO Asbestos Trust Claims, and the NARCO Asbestos Future Claimants Representative (the "FCR") represents the holders of NARCO Asbestos Trust

[3] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan or the Trust Agreement.

[4] The Trust was initially created pursuant to the trust agreement attached as an exhibit to the Plan as a Pennsylvania trust on April 30, 2013, and immediately thereafter converted to a Delaware statutory trust by execution of the Trust Agreement, the execution of a certificate of conversion, and the filing of a certificate of trust with the Delaware Secretary of State.

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Claims yet to accrue. *See* Trust Agreement, Art. 6.1 and 7.1. Pursuant to the Trust Agreement, Joseph F. Rice, Perry Weitz, Steven Kazan, Steven T. Baron, Bruce E. Mattock, and John D. Cooney are the members of the TAC, and Lawrence Fitzpatrick is the FCR.

The Trust Agreement, at Article 3.2 (g), requires that the Trustees meet with the TAC, the FCR and/or Honeywell no less frequently than quarterly at the discretion of the Trustees or as requested by any of the TAC, the FCR or Honeywell. The Trust Bylaws specify that the foregoing requirement will be satisfied by the Trustees meeting at least four times each calendar year with the TAC, the FCR and Honeywell. In 2014, the Trustees held Trust meetings with the TAC, the FCR and Honeywell on February 24, 2014; June 3, 2014; September 15, 2014; and October 16, 2014.

The Trustees generally held weekly executive session meetings throughout the year, usually by telephone.

The Trustees named Richard B. Schiro as the Managing Trustee.

The Trust established its principal office at 1105 North Market Street, Suite 1300, Wilmington, Delaware 19801, and its administrative office at c/o Lain Faulkner & Co., Attention: Lori Lowderman, 400 N. Saint Paul, Suite 600, Dallas, Texas 75201.

In 2014, the Trustees entered into or continued service agreements with the following: Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation (general counsel); Lain Faulkner & Co., P.C. (accountants); Morrison & Morrison, Ltd. (tax advisors); BDO USA, LLP (auditor); Richard A. Beran (consultant); Claims Resolution Management Corporation (claims processing); Verus Claims Services, LLC (Individual Review consultant); W.D. Hilton, Jr. (Individual Review consultant); Prof. Abraham J. Wyner (Individual Review consultant); AON Risk Services Central, Inc. (insurance broker); KPMG LLP (valuation consultant with respect to

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Trust's interests in ANH Refractories Company); and Credit Suisse Securities (USA) LLC (financial consultant).

The TAC retained Caplin & Drysdale as its counsel. The FCR retained Young Conaway Stargatt & Taylor, LLP as his counsel. Honeywell is represented by McDermott Will & Emery LLP.

The Trust obtained liability insurance for the Trustees, the members of the TAC, the FCR, Richard A. Beran in his capacity as consultant to the Trust, and Wilmington Trust Company in its capacity as the Delaware Trustee.

The TDP and claims materials for all NARCO Asbestos Trust Claims, including both Pre-Established Claims (as that term is defined in the TDP) and Annual Contribution Claims,[5] consisting of claim forms, claim form instructions, and release forms, may be accessed on the Trust's website at www.narcoasbestostrust.org.

The Initial Claims Filing Date (as that term is defined in the TDP) was April 1, 2014.

II. NARCO Asbestos Trust Claims

Article 3.3(b) of the Trust Agreement requires the Trustees to file with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements.

In 2014, the Trust paid 16,002 Pre-Established Claims totaling $24,712,852.

In 2014, the Trust paid 2,287 Annual Contribution Claims totaling $30,158,800.

[5] Annual Contribution Claims refer to NARCO Asbestos Trust Claims other than Pre-Established Claims.

III. Compensation and Expenses of Trustees, TAC and FCR[6]

A. Trustees

Under Article 5.5(c) of the Trust Agreement, the Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the Trustees. The Trustees received compensation and reimbursement for out-of-pocket costs and expenses during the fiscal year ending December 31, 2014, as follows:

Trustees (3)	$1,268,753
Delaware Trustee	$4,000

B. TAC

Under Article 6.6 of the Trust Agreement, the Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the TAC. The TAC received compensation and reimbursement for out-of-pocket expenses during the fiscal year ending December 31, 2014, as follows:

TAC	$7,738

C. FCR

Under Article 7.5 of the Trust Agreement, the Trust reports to the Bankruptcy Court the amount of compensation and expenses paid to the FCR. The FCR received compensation and reimbursement for out-of-pocket expenses during the fiscal year ending December 31, 2014, as follows:

FCR	$39,615

[6] The Trust's audited financial statements and the compensation and expenses reported herein are presented on an accrual basis.

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IV. Financial Statements

A copy of the Trust's audited financial statements for the year ending December 31, 2014, is attached hereto as Exhibit "A-1."

Dated: June 30, 2015

BERNSTEIN-BURKLEY, P.C.

By: */s/ Peter J. Ashcroft*
Peter J. Ashcroft

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**ATTORNEYS FOR THE
NORTH AMERICAN REFRACTORIES
COMPANY ASBESTOS PERSONAL INJURY
SETTLEMENT TRUST**

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Audited Special-Purpose Financial Statements with Supplementary Information

For the Year Ended December 31, 2014 and For the Period from April 30, 2013 (Inception Date) through December 31, 2013

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Audited Special-Purpose Financial Statements with Supplementary Information

For the Year Ended December 31, 2014 and For the Period from April 30, 2013 (Inception Date) through December 31, 2013

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North American Refractories Company Asbestos Personal Injury Settlement Trust

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Independent Auditor's Report

Trustees
North American Refractories Company Asbestos Personal Injury Settlement Trust
Dallas, Texas

We have audited the accompanying special-purpose financial statements of the North American Refractories Company Asbestos Personal Injury Settlement Trust (the "Trust") which comprise the special-purpose statements of assets, liabilities and net claimants' equity as of December 31, 2014 and 2013, and the related special-purpose statements of changes in net claimants' equity and special-purpose statements of cash flows for the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013 and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting described in Note 2; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the Trust as of December 31, 2014 and 2013, and the change in net claimants' equity, and cash flows for the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013 in accordance with the special-purpose basis of accounting described in Note 2 to the special-purpose financial statements.

Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 2 to the special-purpose financial statements, the special-purpose financial statements were prepared on a special-purpose basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter. The special-purpose basis of accounting has been used in order to communicate the amount of equity presently available to fund current and future claimants.

Restriction of Use

Our report is intended solely for the information and use of the Trust, the Trustees, the beneficiaries of the Trust, and the United States Bankruptcy Court for the Western District of Pennsylvania, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report which, upon filing with the United States Bankruptcy Court for the Western District of Pennsylvania, is a matter of public record.

BDO USA, LLP

McLean, Virginia
June 25, 2015

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Special-Purpose Financial Statements

North American Refractories Company Asbestos Personal Injury Settlement Trust

Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity

December 31,	2014	2013
Assets		
Cash, cash equivalents and investment securities	$ 107,161,799	$ 137,706,567
Investment in HWI	330,400,000	313,200,000
Accrued interest receivable	390,524	-
Other receivable	397,500	-
Total assets	438,349,823	450,906,567
Liabilities		
Accrued expenses and accounts payable	525,084	507,803
Accrued claims	30,048,925	-
Deferred tax liability	37,424,200	30,613,000
Total liabilities	67,998,209	31,120,803
Net claimants' equity	$ 370,351,614	$ 419,785,764

See accompanying notes to the special-purpose financial statements.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

For the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013	2014	2013
Additions		
Investment income	$ 2,385,095	$ 2,740
Net realized gain on investments	268	-
Net change in unrealized gain on investment in HWI	17,200,000	77,306,000
Total additions	19,585,363	77,308,740
Deductions		
Operating expenses	6,217,484	3,173,146
Direct investment expenses	1,668,534	-
Net change in unrealized loss on investment securities	473,624	-
Deferred income tax expense	6,811,200	30,613,000
Total deductions	15,170,842	33,786,146
Increase in net claimants' equity	4,414,521	43,522,594
Net claimants' equity		
Beginning of the year/period	419,785,764	-
Contributions from Honeywell	5,956,054	377,547,880
Pre-effective date expenses	-	(1,284,710)
Pre-established claims contributions	24,718,352	90,998,790
Distributions from net claimants' equity	(84,523,077)	(90,998,790)
End of the year/period	$ 370,351,614	$ 419,785,764

See accompanying notes to the special-purpose financial statements.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Special-Purpose Statements of Cash Flows

For the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013	2014	2013
Cash inflows:		
Interest income receipts	$ 1,994,571	$ 2,740
Pre-Established Claims funding	24,718,352	90,998,790
Operating expense funding	5,956,054	7,353,880
Liquidating dividend	-	134,300,000
Net realized gain on sale of investment securities	268	-
Total cash inflows	32,669,245	232,655,410
Cash outflows:		
Distributions to claimants	54,871,652	90,998,790
Trust operating expenses	6,200,202	2,665,343
Pre-effective date liabilities	-	1,284,710
Total cash outflows	61,071,854	94,948,843
Net cash (outflows) inflows	(28,402,609)	137,706,567
Non-cash changes:		
Net change in unrealized loss on investment securities	(473,624)	-
Amortization of bond premium	(1,668,535)	-
Total non-cash changes	(2,142,159)	-
Net decrease in cash, cash equivalents and investment securities	(30,544,768)	-
Cash, cash equivalents and investment securities, at the beginning of year/period	137,706,567	-
Cash, cash equivalents and investment securities, at the end of year/period	$ 107,161,799	$ 137,706,567

See accompanying notes to the special-purpose financial statements.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

1. Description and Funding of the Trust

The North American Refractories Company Asbestos Personal Injury Settlement Trust (the "Trust"), organized pursuant to the laws of the State of Delaware, was established pursuant to the Third Amended Plan of Reorganization of North American Refractories Company, et al. dated December 28, 2005 (the "Plan") and became effective on April 30, 2013. The Trust was formed to assume all liabilities of Honeywell International, Inc. ("Honeywell"), any Honeywell Affiliate, North American Refractories Company ("NARCO") and its affiliates with respect to any and all NARCO Asbestos Trust Claims, (whether now existing at the effective date or arising thereafter) and to use the Trust assets and income to pay holders of valid claims in accordance with the First Amended North American Refractories Company Asbestos Personal Injury Settlement Trust Agreement (the "Trust Agreement") and the First Amended North American Refractories Company Asbestos Personal Injury Settlement Trust Distribution Procedures. The Trust's funding is dedicated solely to the settlement of asbestos personal injury claims and the related costs thereto, as defined in the Plan. The Trust's principal office is in Wilmington, Delaware and its administrative office is located in Dallas, Texas. Defined terms have the meanings assigned to them in the Plan.

The Trust was initially funded with cash contributions from Honeywell in the amount of $7,353,880 (an amount estimated to be sufficient to pay all pre-effective date expenses as well as the Trust's operating expenses until December 31, 2013) and a 79% interest in the equity of Post-Effective Harbison Walker International (HWI), formerly known as ANH Refractories Company, valued at $370,194,000.

In December 2013, HWI paid a liquidating dividend to its shareholders in the amount of $170,000 per share. HWI had no current or accumulated earning and profits as of December 31, 2013 and thus the distribution was recorded as a return of capital, decreasing the basis of the investment in HWI by $134,300,000. The use of the liquidating dividend is restricted to payment of approved Annual Contribution Claims as defined in the Trust Agreement. The fair value of the Trust's interest in the HWI investment was adjusted at December 31, 2014 and 2013 to $330,400,000 and $313,200,000, respectively, based upon a valuation report prepared by an independent valuation firm.

Claims are designated in the Trust Agreement as either Annual Contribution ("AC") or Pre-Established ("PE") claims. On a quarterly basis, Honeywell transfers to the PE Claims Fund an amount of cash equal to the amount of PE claims in the PE Claims Fund Payment Queue. Also, on a quarterly basis, Honeywell transfers to the AC Claims Fund an amount of cash equal to the amount of AC claims in the AC Claims Fund Payment Queue after application of funds from the Trust's holdings to pay AC Claims, as provided in the Trust Agreement. Honeywell's obligation to make quarterly contributions to the Trust's Annual Contribution Claims Fund is subject to the annual caps or limitations as stated in § 2.3(c)(i)(A)(I) of the Trust Agreement. There are no caps or limitations on Honeywell's obligations to contribute to the Pre-Established Claims Fund amounts necessary to pay all approved claims in the Pre-Established Claims FIFO Payment Queue.

2. Significant Accounting Policies

Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees, which differ from accounting principles generally accepted in the United States

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of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net claimants' equity and related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

a. Funding received from Honeywell for operating expenses and claim payments are recorded as contributions directly to net claimants' equity when the cash is received or when the assets are transferred. These funds do not represent income to the Trust. Under GAAP, these funds would be recorded as income to the Trust in the period that the funds were assigned to the Trust, could be reasonably estimated, and collectability was assured.

b. The Trust's investments are recorded at fair value. The fair value of the investment in HWI is determined annually by an independent valuation that is ultimately approved by the Trustees. Net realized and unrealized gains or (losses) on investments are recorded as additions or (deductions) in the special-purpose statements of changes in net claimants' equity.

c. For special-purpose accounting, a claim is deemed a liability of the Trust that reduces net claimants' equity when the claim is entered in the Payment Queue(s). The Trust reduces net claimants' equity by the amount of claims when entered in the Payment Queue. Under GAAP, a liability for claims would be recorded based on offers extended and an estimate of the liability for remaining claims.

d. Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

e. Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the useful lives of the assets. To date, the Trust has incurred no expense related to purchases of property and equipment.

Use of Estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity.

Cash, Cash Equivalents and Investment Securities

The Trust considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

Investment securities are stated at fair market value with changes in unrealized gains and losses recorded in the current period. Investment income is recognized when earned. Any unpaid interest and dividend income is recorded as accrued interest and dividends receivable. Realized gains and losses on sales are determined using the specific identification method.

The fair value of the investment in HWI is determined annually by an independent valuation firm that is ultimately approved by the Trustees.

Accrued Expenses and Accounts Payable

Accrued expenses and accounts payable consist of outstanding invoices associated with managing the Trust.

Accrued Claims

Accrued claims consist of certain claims that are settled but unpaid at December 31, 2014. A settled claims is a claim that has been accepted by the claimant, with an executed released submitted to the Trust, and approved by the Trustees. An unpaid settled claim is a claim that has been approved for payment by the Trustees but not yet paid.

Operating Expenses

Operating expenses of the Trust are recorded as deductions on the statements of changes in net claimants' equity in the period in which the invoices are received and approved.

Income Taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations (the Code) thereunder. As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of management, the Trust is not subject to state income taxes and therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Risks and Uncertainties

The Trust's assets that are exposed to credit risk consist of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2014 approximate $55 million.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

The Trust invests in a professionally managed investment portfolio that contains mutual funds, bonds and term deposits. Such investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net claimants' equity.

3. Cash, Cash Equivalents and Investment Securities

Cash, cash equivalents and investment securities consist of the following at December 31, 2014:

	2014		
	Cost	Fair Value	Unrealized Loss
Cash and cash equivalents	$ 24,466,881	$ 24,466,881	$ -
Term deposits	31,235,143	31,235,143	-
Mutual funds	13,400,005	12,996,270	(403,735)
Corporate bonds	38,533,394	38,463,505	(69,889)
Total cash, cash equivalents and investment securities	$ 107,635,423	$ 107,161,799	$ (473,624)

Cash and cash equivalents consist of the following at December 31, 2013:

	2013		
	Cost	Fair Value	Unrealized Gains
Cash and cash equivalents	$ 137,706,567	$ 137,706,567	$ -
Total cash and cash equivalents	$ 137,706,567	$ 137,706,567	$ -

The maturities of the Trust's investments in bonds are as follows as of December 31, 2014:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 38,463,505	$ -	$ -	$ -	$ 38,463,505

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

4. Fair Value Measurements

The Trust's investments are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the Trust would use valuation models.

The Trust's assets recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- **Level 1** - Inputs that are based upon quoted prices for identical instruments traded in active markets.
- **Level 2** - Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.
- **Level 3** - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Trust uses to measure its financial assets at fair value:

Level 1: Mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

Level 2: Bonds are valued using a metrics system provided by the pricing vendors.

Level 3: Investment in HWI is valued based upon a valuation prepared by an independent valuation firm. The valuation uses model-based calculations based on marked-based inputs, including but not limited to, discounted cash flow analysis, valuation multiples, implied enterprise values, and the correlation of all these inputs.

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

Investments measured at fair value on a recurring basis are summarized below:

	As of December 31, 2014			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 55,702,024	$ 55,702,024	$ -	$ -
Mutual funds	12,996,270	12,996,270	-	-
Corporate bonds	38,463,505	-	38,463,505	-
Investment in HWI	330,400,000	-	-	330,400,000
Total assets at fair value	$ 437,561,799	$ 68,698,294	$ 38,463,505	$ 330,400,000

	As of December 31, 2013			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 137,706,567	$ 137,706,567	$ -	$ -
Investment in HWI	313,200,000	-	-	313,200,000
Total asset at fair value	$ 450,906,567	$ 137,706,567	$ -	$ 313,200,000

Level 3 gains and losses

The following table sets forth a summary of changes in the fair value of the Trust's investment in HWI (Level 3 assets) for the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	2014	2013
Balance, at the beginning of the year/period	$ 313,200,000	$ -
Contributions from Honeywell	-	370,194,000
Liquidating dividend received from Honeywell	-	(134,300,000)
Net change in HWI valuation	17,200,000	77,306,000
Balance, at the end of the year	$ 330,400,000	$ 313,200,000

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

5. Income Taxes

During the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013, the Trust generated net operating losses of approximately $5,500,000 and approximately $3,170,000, respectively. At December 31, 2014 the Trust had a net operating loss carryforward of $8,671,000 to offset future taxable income.

Deferred income taxes result from differences between financial statement and tax reporting of additions and deductions to net assets. The entire amount of the deferred tax liability reported as of December 31, 2014 and 2013 is attributed to the appreciation of the Trust's investment in HWI. The deferred tax asset consists of the tax benefits related to net operating loss carryforwards, approximately $2,178,000 and $1,255,000 at December 31, 2014 and 2013, respectively.

In assessing the realizability of the deferred tax asset, management considers whether it is more likely than not that some portion of the entire deferred tax asset will be recognized. The ultimate realization of the deferred tax asset is dependent upon the generation of future taxable income during the periods in which temporary differences become deductible. Management considers reversal of deferred tax liabilities, projected future taxable income and tax planning strategies that can be implemented by the Trust in making this assessment. In keeping with the special-purpose basis of accounting, the deferred tax asset will not be recorded until the realizability of the asset is assured. Accordingly, the Trust has recorded a full valuation allowance against the deferred tax asset at December 31, 2014. The Trust's net operating loss carryforward will expire, if not utilized, in various years through 2034.

6. Net Claimants' Equity

The contributions to and deductions from net claimants' equity for year ended December 31, 2014 and the period from April 30, 2013 (inception date) through December 31, 2013 are comprised of the following:

	2014	2013
Contributions from Honeywell:		
Cash for operations	$ 5,956,054	$ 7,353,880
Pre-established claims	24,718,352	90,998,790
HWI stock	-	370,194,000
Pre-effective date expenses	-	(1,284,710)
Net operating results	(5,974,279)	(3,170,406)
Net change in HWI stock valuation	10,388,800	46,693,000
Distributions from net claimants' equity	(84,523,077)	(90,998,790)
Change in net claimants' equity	$ (49,434,150)	$ 419,785,764

7. Distributions from Net Claimants' Equity

For the year ended December 31, 2014, the Trust settled 2,287 annual contributions claims and 16,002 PE Claims totaling $30,158,800 and $24,712,852, respectively. In addition, the Trust settled 742 annual contribution claims and 62 PE claims totaling $29,651,425 and $397,500, respectively, which were accrued as of December 31, 2014 and were paid subsequent to year end.

North American Refractories Company Asbestos Personal Injury Settlement Trust

Notes to the Special-Purpose Financial Statements

For the period from April 30, 2013 (inception date) through December 31, 2013, the Trust settled 65,069 PE Claims totaling $90,998,790.

The following is a reconciliation of distributions from claimants' equity to total claims paid for the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013:

	2014	2013
Claim settlements	$ 84,920,577	$ 90,998,790
Change in accrued claims	(30,048,925)	-
Total cash paid for distributions to claimants	$ 54,871,652	$ 90,998,790

8. Contingent Liabilities

The Plan Documents (as defined in the Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material.

9. Liability for Asbestos Claims

Personal injury claims that were settled, but unpaid as of December 31, 2014, have been accrued and included in accrued claims. These amounts have been included in distributions from net claimants' equity in the accompanying special-purpose statements of changes in net claimants' equity for the payment of claims for the year ended December 31, 2014.

The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net claimants' equity at December 31, 2014 and 2013 represents funding available for Asbestos PI Trust Claims for which no fixed liability has yet been established. However, Honeywell is required to make contributions to the Trust to pay claims as provided in the Trust Agreement.

10. Subsequent Events

The Trust has evaluated its December 31, 2014 special-purpose financial statements for subsequent events through June 25, 2015 the date the special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the special-purpose financial statements.

In April 2015, HWI paid an ordinary divided in the amount of $23,700,000. The dividend was recorded in 2015 and accordingly, will be subject to income taxes.

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Supplementary Information

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Independent Auditor's Report on Supplementary Information

Trustees
North American Refractories Company Asbestos Personal Injury Settlement Trust
Dallas, Texas

Our audit of the special-purpose financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of those special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA, LLP

June 25, 2015

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North American Refractories Company Asbestos Personal Injury Settlement Trust

Schedules of Operating Expenses

For the year ended December 31, 2014 and for the period from April 30, 2013 (inception date) through December 31, 2013	2014	2013
Operating expenses		
Legal fees	$ 1,852,279	$ 1,035,633
Claims processing services	1,598,065	518,685
Trustee disbursements	1,268,753	884,636
Consulting	977,011	427,429
Accounting and audit	274,400	134,047
Insurance	158,500	158,500
Administrative costs	4,000	11,246
Other	84,476	2,970
Total operating expenses	$ 6,217,484	$ 3,173,146

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE:	)	**Jointly Administered at**
	)	**Case No. 02-20198-TPA**
NORTH AMERICAN REFRACTORIES,	)	
COMPANY, *ET AL.*,	)	**Chapter 11**
	)	
Debtors.	)	
	)	

CERTIFICATE OF SERVICE OF
NOTICE OF FILING ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE NORTH AMERICAN REFRACTORIES COMPANY ASBESTOS PERSONAL INJURY SETTLEMENT TRUST
FOR FISCAL YEAR ENDED DECEMBER 31, 2014

I certify under penalty of perjury that I served the above captioned pleadings at the addresses specified below on the attached service list on June 30, 2015.

The type of service made on the parties was by First-Class Mail.

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